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Clothes Market in Uzbekistan: Competitive Environment, Development

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Annotation- *The article explores the status and development of the apparel market in Uzbekistan, and changes in its structure based on marketing research and evaluates the impact of changes in the retail segment of the apparel market, the composition of the consumer market of garments, and the changes in consumer segment. Changes in consumption by squeezing a range of competing countries from the domestic market are studied on the basis of the panel research method, and the matrix of factors that influence its formation and the shape of the wardrobe.*

Keywords: *Clothing market, marketing, competition, competitiveness, consumer market, market condition, market development, marketing strategies, panel research, assortment research, market development strategies, fashion market, fashion marketing, fashion development strategies.*

1. INTRODUCTION

Satisfaction with demand for essential goods for society is an important issue for any state and the basis for determining the level of well-being of the population. Therefore, the consumption of ready-made garments requires a specific approach to the issues of its development and the development of each country separately. Clothes are the most popular consumer goods in Uzbekistan, accounting for 6% of consumer expenditures and the development of this market. Clothes are the most popular consumer goods for the population of Uzbekistan, accounting for 6% of consumer expenditures, the issues of this market development require further study.

The garment industry is one of the most developed industries in Uzbekistan, It is a unique marketing environment for the development of the industry in the world.

The development of the garment industry will not only satisfy the population's demand for consumer goods, but will also contribute to improving the living standards and culture of the population, and will be a key factor in ensuring the country's currency. In the industrial sector, the garment industry, like all developed countries, is one of the major sources of revenue to the state budget in Uzbekistan, and is a large-scale industry. Taking into account these aspects, the study of the apparel market, the formation and development of strategies for the development of the market are of vital importance.

The results of the study can be widely used in determining the share of Uzbekistan in the global ready-to-wear market and its long-term strategy and development of the fashion business, marketing research on the garment market, measures to protect the market from imported goods, and study the factors of demand in the garment market.

2. LITERATURE REVIEW

There is a wealth of scientific and applied research on the research and forecasting of the garment consumer market, most of which are conducted by international and national research institutes, such as WTO, (World Trade Organization), USAID (United States Agency for International Development), Copyright Cotton Outlook Ltd, USFIA (United States Fashion Industry Association), GTFC (The Textile + Fashion Confederation), BTE (Bundesverband des Deutschen extileinzelhandels eV**).**

This paper highlights the strategies implemented by Indian fashion retailers to achieve global competiveness and win customer‟s confidence. The study also evaluates the scopes and challenges of fashion retailing in India. The scope of the study is limited to the area of Apparel retailing. Based on the data collected through secondary sources, this paper makes an assessment of the extent of innovativeness and responsiveness retail sector for marketing fashion. In the concluding section, limitations of the study have been discussed and recommendations provided for undertaking more detailed investigations in the area.

Marketing aims to ensure the production of goods and services that fit to the needs and desires of consumers. An accurate analysis of consumers' behaviors is the first thing to achieve this aim. Such an analysis will identify where, why and how the consumers buy and use a certain brand as well as why they turn to other brands. Despite changing by the merchandise, consumer behavior remains the same throughout the purchasing process. Process of deciding the purchasing basically consists of five steps: identification (being aware) of problem, data collecting, consideration of options, purchasing decision and evaluation after purchasing (Kotler and Keller, 2006:191). There are many factors affecting the purchasing behavior of consumers. These are social and cultural factors such as culture, subculture, social class, reference groups and family (Grant and Stephen, 2005: 451). There are also psychological factors affecting purchasing behaviors of consumers such as motivation, perception, learning as well as beliefs and attitudes (Miryala and Aluvala, 2015: 163).

Textile and apparel firms with strong high value added functions such as innovation and product strategy as well as marketing and supply chain management which created a global brand should focus on increasing trade balance and productivity because they are both positively related to their industrial competitiveness.

3. INFORMATION BASE (for the period from 2008 to 2015)

Official sales in the domestic market of clothing groups and groups of goods associated with it - clothing and underwear, furs and fur goods, knitwear, hosiery, - in value terms (according to the State Statistics Committee of the Republic of Uzbekistan);

- Official export and import in quantitative and value terms of garments in groups 61 (Garments and clothing accessories, knitted, machine or hand knitted) and 62 (Garments and clothing accessories, except for knitted, machine or hand knitted) Commodity nomenclature foreign economic activity (TNVED);

-Official data on industrial production in the clothing and knitting industries.

- Consumption of basic items of clothing, determined according to the results of a panel questionnaire survey of consumers and according to the State Statistics Committee of the Republic of Uzbekistan

-The main source of information was questionnaires, which were conducted at points of sale in terms of assortment and retail competitiveness;

-Data on the consumption of clothing per capita in foreign countries, obtained via the Internet, data from OECD.Stat and the World Bank (these data were used to justify the per capita consumption indicator of different countries).

-Estimates of various market indicators obtained during interviews and surveys. In this review, official data refers to data from the Goskomstat and the Ministry of Economy.

4. METHODOLOGY

In the course of the study, various analysis tools were used: expert estimates, interviews, statistical and mathematical methods of data analysis, retrospective and prospective analyzes, comparative analysis, cluster analysis and others.

Expert opinions were obtained during interviews and surveys:

-100 trade outlets in Tashkent - "Bek Baraka", "Abu Sahiy" shopping centers, "Chorsu", "Dostlik", "World bazaar", "Isfarkhan" supermarket in Namangan region;

-internal clothing manufacturers in the Namangan region and manufacturers at JSC Uzbekengilsanoat;

- employees of Uzbekengilsanoat AK and the head of leading manufacturers of social telegram networks of the Uztex Group and @Vodiy textile group @;

-Consumer Reports Data from panel surveys from families living in Namangan region in 2012 and 2014.

At the beginning of the study, the market volume was calculated on the basis of official data on sales of goods related to the clothing market, and data on individual sewing of knitwear and knitwear. The market size calculated on the basis of these data, according to our estimates, seemed too small, although these calculations included goods that are not items of clothing. Moreover, domestic statistics on sales on the domestic market do not highlight individual items of clothing. At our request for information on the domestic production of names / types of clothes, the State Statistics Committee provided data on the full range of names, on the basis of which it was impossible to determine the real structure of the clothing market in the country.

5. ANALYSIS AND RESULTS:

5.1. Development of sewing and knitwear production (secondary information analysis)

Dynamics of garment production in Uzbekistan The dynamics of development in 2005-2014 is shown in Figure 1. Production of garments increased by 25 times in 2018 compared to 2005 and by 3.6 times. During the analyzed years, the production of garments averaged 143.3% per year, and the knitwear production increased by 115.1%. Uzbekistan can be regarded as a leader in the development of clothing production in the world. The reason is the global apparel production growth rate is 2.8% (Global - Apparel Retail, 2012), while the finished product has grown by an average of 2.3%. Clothes production is higher in Uzbekistan than the global average. The highest growth of knitwear has been

observed since 2009, and the high growth of garment production since 2011. The garment industry's share of Uzbekistan's industrial output increased from 0.7% in 2005 to 2.5% in 2018.

In Uzbekistan, 99% of garments and knitwear products are produced by small businesses, companies and family businesses

5.2. Foreign trade analysis (analysis of secondary information).

The share of textile and clothing industry (consumer goods) in the world exports in Uzbekistan in 2008-2015 was 0.09%. However, the share of Uzbekistan in global apparel exports has grown by 120.4% during the analyzed period. The main competitors in the Uzbek market are: China - 101.6%, Bangladesh - 110%, Turkey - 98.7%, India - 106.1%, Indonesia - 100.2%, Pakistan - 101.9% the market share has increased.

Analytical results show that Uzbekistan is actively growing in the global apparel market. The share of exports in the foreign trade balance of clothes in Uzbekistan accounts for more than 90%.

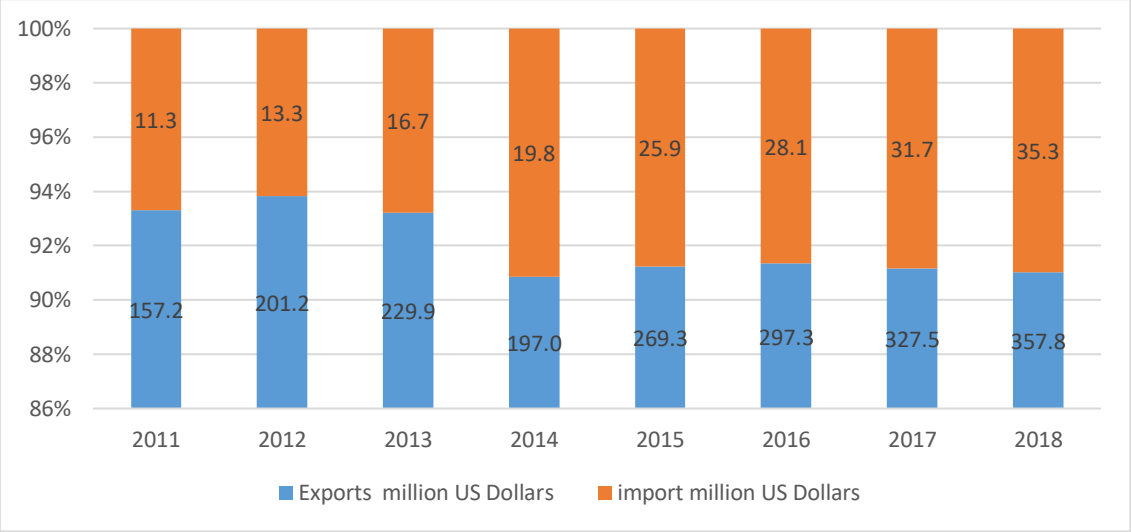


Figure 3. Foreign trade balance of clothes

During the period 2008-2018, the export of knitwear increased by 4.2 times, imports by 3.9 times, on average by 125%, and by 118% year.

If the export of clothes began to decline in 2009 because of the economic crisis that began in 2008, the effective functioning of the national anti-crisis program since 2009 has begun a new phase in the sector's development. During the global apparatus market crises, the garment market in Uzbekistan has experienced high growth rates.

5.3. Consumer market analysis (secondary data analysis)

In the years of independence, ready-made garments made in the Republic have grown to the extent that they can meet domestic consumption. In 2008 the population of the Republic could not meet the needs of the country. China, Turkey and other countries had high market share. Reforms in the Republic, anti-crisis program and government-provided incentives for manufacturers, extensive development of small business and private entrepreneurship, and a favorable marketing environment have contributed to the inert growth of garment and knitwear manufacturers.

5.3.1. Analysis of the retail turnover of clothes (secondary data analysis).

In the structure of retail trade in the Republic of Uzbekistan, the share of non-food products increased from 48.4% to 50.8%. Increasing the share of non-food products in the retail turnover of the population of the republic means an increase in the standard of living of the population. The share of apparel purchases in the total retail turnover has declined over the years. It dropped from 1.9% in 2008 to 1.7% in 2015. The share of non-food retailing decreased from 3.9% to 3.4%. Retail trade turnover of the population increased by an average of 125.9% in 2008-2015, and the sewing and knitwear retail trade increased by an average of 101.2%.

5.3.2. Analysis of changes in clothing consumption

The cost of clothes and the share of the population in the total income of the population is an indicator that reflects the consumer market. In 2008, the share of clothes in the total consumer expenditure (Final consumption expenditure of units, and general government at current prices) was 4.6% or 38.9 thousand soum ($ 30), while in 2014 these figures were respectively, and made up 5.7% or UZS 203.8 thous. (USD 88.1) . Consumption of clothes by the population of the Republic increased by 122.1% per year. Turkey has 112% (2009-2014), Italy 99% (2008-2015), Korea 103.7% (2008-2015), 100.3% (2008-2014), Indonesia 107, 6% (2010-2015). Thus, the development of the interior apparel market in Uzbekistan is higher than in other countries. This, in turn, means the rapid growth of interior consumption, which is a major factor in the stability of interior demand.

5.3.3. Influence of dress culture on development of ready-made garments market

The dress is closely connected with the region, conditions, lifestyle, customs, traditions and nature of each nation, which has been living since ancient times, and determines its spiritual maturity and national culture. Everyone tries to wear comfortable and comfortable clothes. The culture of dressing in Uzbekistan is shaped by the following factors:

1. The climate of the country is sharply continental, with significant variations in day and night, summer and winter temperatures, with little precipitation. From these aspects, the wardrobe of the population requires the availability of clothes of all seasons and assortment.

2. The population consists of 136 nations and nationalities. Their share in the total population is 22%. This means the interconnection of clothing culture that is unique to all nations and ethnicities, and, as a result, the formation of an assortment of clothing of all styles.

3. The share of middle-aged people in the general population is very high, and their sensitivity to changing culture and fashion means that there is a high demand for clothing.

4. Wedding arrangements, various parties and events in the country create a demand for the population's unique fashion.

5. National traditions, customs and interreligiousness lead to a wider formation of the population's specific culture of dress.

5.4. Consumers Analysis of Consumables Market (Secondary Information Analysis)

Changes in consumption of the population are directly influenced by the volume of retail trade turnover. The analysis of economic well-being assumes values that indicate the degree to which households have access to economic resources or that they can buy or accumulate and choose one.

Income of the population, income from business activity, pensions, pensions, scholarships, cash receipts of various types of income, interest, property, dividends, rent, securities, real estate, agricultural products, crafts, home-based services loan and finance credit, income from banks.

Individual living standards are estimated by purchasing consumer goods, using services, and by quantifying them. Consumption costs are determined by changes in consumption by examining the composition and distribution of costs. The analysis of the population's expenditures on ready-to-wear and knitwear can reveal the actual state of market changes.

5.5.1. Influence of demographic situation on development of ready-made garments market.

In the long run (2020), the clothing market in Uzbekistan will grow by 7.9% annually under the influence of demographic factors, absolute increase by 169%. While the share of youth in the population is almost constant, the proportion of able-bodied population is expected to increase and the urban population will remain unchanged.

6. CONCLUSIONS

Strategies to protect the market from competitors.

To further simplify the analysis of consumer purchases and the proportion of countries that produce them ... the table contains relevant figures. The market share matrix is based on the inputs. Given that the analysis was conducted at the end of two years, the following assortment management strategies are proposed based on the matrix criteria (red (x), yellow (!) And blue (√)) for each assortment.

Matrix specifications are available for all clothing manufacturers. The following strategies should be implemented for each designation.

For an enterprise that offers an assortment of **development strategies** at the appropriate level, there are strategic objectives to find and penetrate the domestic market. The directions for entering the domestic market were specified.

Stage 1 development strategy is recommended for market entities producing women's clothing. We believe that in this assortment, market-based businesses should focus on the following: developing technical and economic capabilities, creating new models, focusing on innovations, developing innovative programs, and diversifying products.

The strategies of action green marketing are appropriate for market players operating in the segment of students and pupils. This strategy is mainly a strategy to squeeze foreign assortments from the interior market. Accordingly, this strategy focuses on the use of effective ways to communicate with consumers. The first level of this strategy should be applied to the main assortments of students and children. The main emphasis here is on the effective use of marketing communications. Especially the use of branding opportunities in the range of students will increase the market share in the competition. The development strategy will be focused on the full push for imported goods and will continue to maintain and increase the share of enterprises. At the same time, the main factors of development are

diversification, concentration, increase of marketing costs, and promotion of fashion design to the international level.

Levels of retention strategies green marketing, in turn, reflect a set of actions to ensure that the domestic market is fully internalized and maintained, and incorporates criteria for formulating development strategies for foreign markets.

Survival strategies are typical of market-based subjects with men's ready-to-wear. They should focus on the core business of the enterprise to retain existing customers. Enterprises operating at this level of competitive matrix should be united on a unified basis and effectively use international marketing strategies and increase their access to foreign markets. Businesses need to improve the efficiency of consumer communication channels to maintain the existing market, increase advertising costs, integrate all manufacturers into a single unit, increase brand interior market opportunities for this process. use of trading houses, brokerage offices, foreign design and fashion, consulting centers, engineering services, international quality certificate to get a name, to study foreign markets, and to spend money on marketing research.

Development of the fashion industry in Uzbekistan

Taking into account the current fashion market in Uzbekistan, international experience in the development of the fashion industry and national peculiarities, the following key tasks should be identified as the main strategies of the fashion industry:

First, the key factor in the development of the fashion industry in Uzbekistan is the need for faster integration into the international development of the fashion industry. This process, first and foremost, dictates the need to form production structures that cover the entire cycle of light industry. This strategy has been a key tool in the development of the German garment industry.

Second, it is necessary to develop clear strategic programs to enhance the international attractiveness of the Uzbek national brands in the development of the fashion industry. This practice has been identified as the main category of Turkish garment industry development. The Turquality program has been a key factor in bringing the reputation of 25 national brands in the Turkish textile industry to an international level and a sharp increase in their prestige in the world markets.

Third, the prominence of the fashion industry in Uzbekistan is due to the fact that 98% of the country's sewing products are owned by small businesses. The development of the garment industry will depend solely on the products of small-scale enterprises that can easily adapt to fashion changes. In this regard, it is necessary to expand the activities of marketing (consulting, design and fashion) centers serving them.

Fourth, the development of the fashion industry directly depends on the professionalism of fashion designers and the formation of designers. In order to provide enterprises with qualified designers and designers, specialists in the system of higher education and vocational training are being trained. In 2012-2015, the number of designers trained in higher education has doubled, which indicates the growing demand for qualified personnel.

Taking into account the above, innovative strategies for development of the fashion industry of Uzbekistan can be defined as:

- to take measures to diversify the fashion industry, to ensure the development of the design not only the production of ready-made garments, but also its penetration into other textile industries;

- to develop the model and design of ready-made garments and textile products in such a way that they can be adapted to the world wide range and take measures for their further development;

- Development of global fashion industry development strategies, introduction of national product support systems, increase of market facilities providing consulting services to enterprises, formation of existing infrastructure and creation of incentives for designers and designers for innovative products. Design and fashion centers should be established as the main chain linking industrial enterprises directly to the consumer market;

- Introduction of a system of regular information on world fashion trends and market trends for textile companies of JSC "Uzbekengilsanoat", Design Center "Sharq Liboslari", with special attention to the preparation of monthly publications on the trends and trends in the light industry;

- Development of the State Program “Support to the Uzbek National Brand” in cooperation with the mass media, the State Statistics Committee, higher education institutions, research centers and relevant governmental and non-profit organizations. Introduction of effective sales mechanisms in the domestic and world markets. The program should establish strategies for increasing the influence of national brands on the world markets, as well as strategies for entering new markets;

- Improvement of the consumer-oriented concept of production by conducting selective observations among the population in order to form a wide range of textile products and constantly detect changes in their procurement processes, in close cooperation with the State Statistics Committee, universities, research centers;

- Development of a special program for the transformation of Tashkent into the "Oriental Fashion Center" and clearly identifying its possibilities;

- carrying out systematic scientific research on the production of ready-to-wear and accessories in the light industry, the development of the national market based on an in-depth study of the international accessories market.

Implementation of the above strategic goals will allow Uzbekistan opportunity to become the World Fashion Center.